



FCA changes mortgage advice rules to encourage consumer choice

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The Financial Conduct Authority (FCA) has today published proposals for changes to its mortgage sales requirements which will help to give consumers more choice in how they buy a mortgage.

The proposals are one part of a package of remedies from the Mortgages Market Study, published earlier this year, which aims to encourage innovation and make it easier for customers to find the right mortgage.

The FCA identified a number of ways its advice rules are acting as a barrier to the development of new tools to help customers choose and buy a mortgage and the consultation today is designed to address the problems identified.

Christopher Woolard, Executive Director of Strategy and Competition at the FCA said:

'The mortgage market is working well for most customers but we have identified some areas where our rules are acting as a barrier to innovation. The changes we've announced today will allow firms to develop products and services which can truly meet the needs of customers.'

The FCA is proposing to change its rules to make it clear that tools which allow customers to search and filter available mortgages are not necessarily giving advice. It will also be clearer that some forms of interaction, such as firms helping consumers with their applications, do not require advice.

Where a mortgage adviser recommends a mortgage which is not the cheapest of those that meet the customer's needs and circumstances, they will now be required to explain why any cheaper mortgage has not been recommended.

The FCA is also making changes to the standards around execution only policies.

The FCA is consulting on the new rules until 7 July 2019 and will publish its feedback and final rules around the end of the year.

Notes to editors

1. [CP19/17: Consultation on mortgage advice and selling standards](#)
2. [Mortgages Market Study](#)
3. The FCA has an overarching strategic objective of ensuring the relevant markets function well. To support this it has 3 operational objectives: to secure an appropriate degree of protection for consumers; to protect and enhance the integrity of the UK financial system; and to promote effective competition in the interests of consumers.
4. Find out more information [about the FCA](#).

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